



2019 UK Gender Pay Gap Report

The core values of lululemon embrace fairness and inclusivity at their heart. To ensure our teams thrive, we are in the constant practice of fostering and maintaining an environment rooted in equality and empowerment.

An open and supportive culture – one that reflects diversity and embodies the many aspirations and desires of our communities – lays the groundwork for engagement, innovation and adaptability. This gives us a greater advantage to do what we do best: create transformational products and experiences that enable people to unleash their full potential.

At lululemon, we stand for gender pay equity: equal pay for equal work. In April 2018 we achieved gender pay equity as a global organisation, and are committed to regularly assessing our hiring and reward practices to ensure we are making informed and inclusive decisions that reflect our values.

Find out more about how we achieved gender pay equity on our [infographic](#).

20,000+
GLOBAL EMPLOYEES

491*
STORES WORLDWIDE

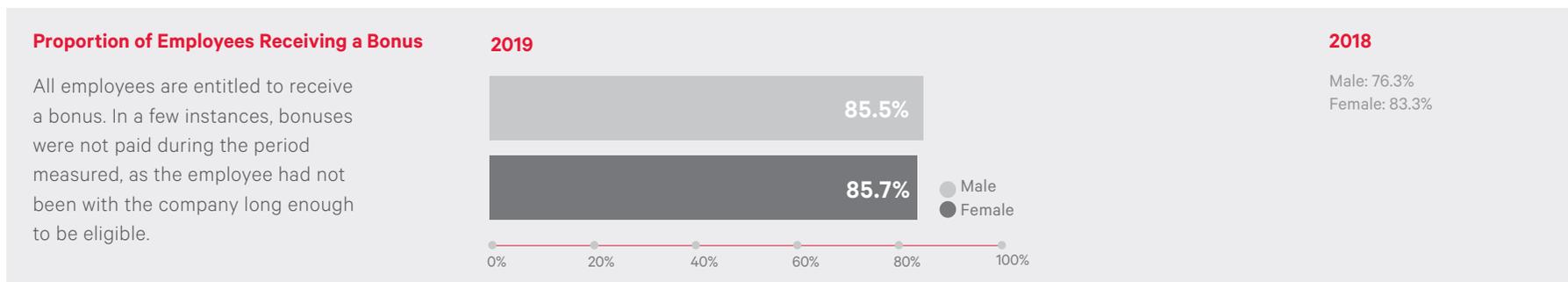
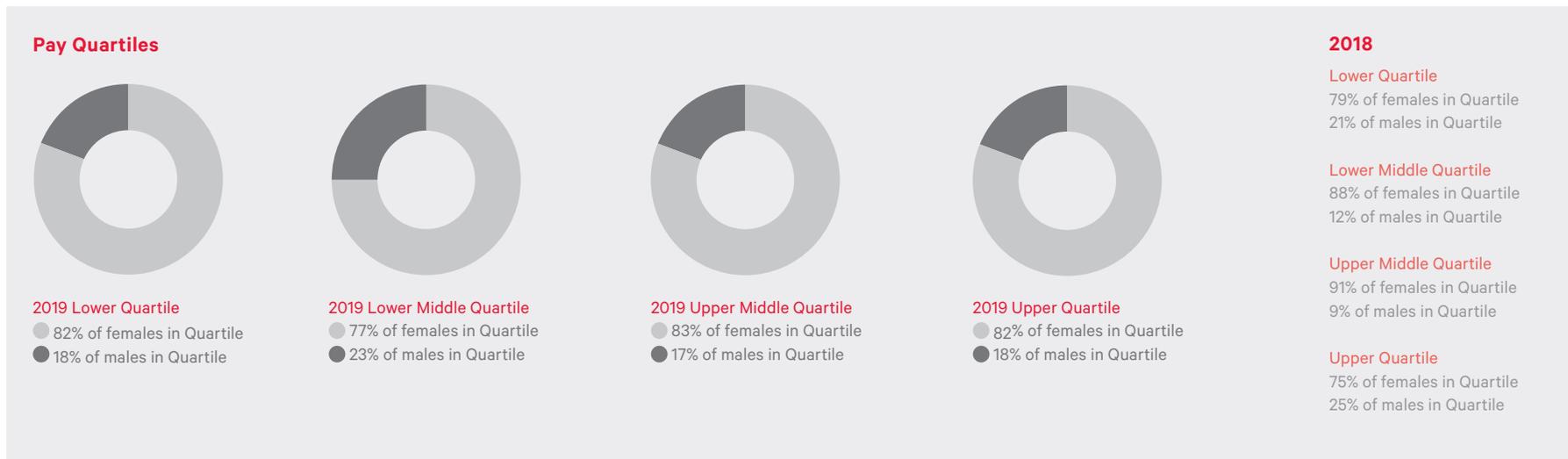
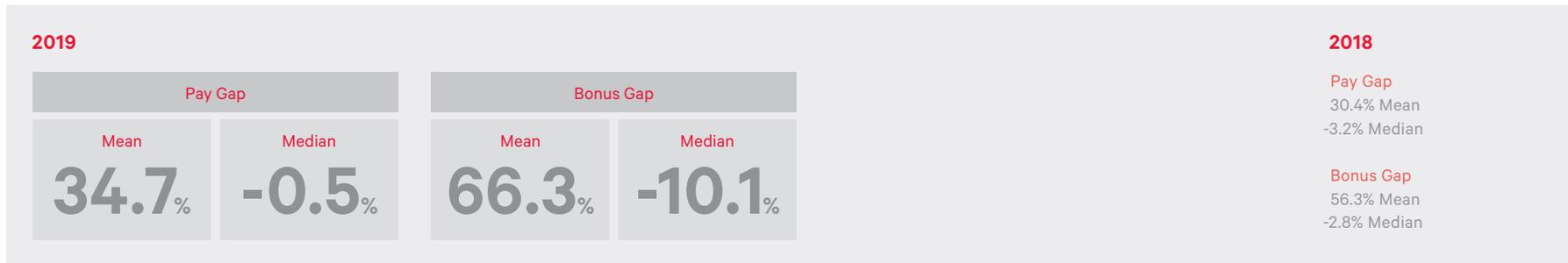
Founded in 1998 in Canada, lululemon is a healthy lifestyle inspired athletic apparel company for yoga, running, training and other sweaty pursuits. Through a unique community-led approach, we build authentic relationships with guests and our local ambassadors to create a collective, supporting one other to achieve big goals.

Purpose: To elevate the world by unleashing the full potential within every one of us.

Vision: Be the experiential brand that ignites a community of people living the sweatlife through sweat, grow and connect.

**store count as of Q4 2019*

Our results



Our gender pay gap explained

During the 2019 reporting year, the population of eligible lululemon UK employees has increased from 236 on 5 April 2018 to 293 on 5 April 2019. This growth reflects our performance and momentum in the UK, where we now operate a total of 13 retail locations in England and Scotland, as well as a European Store Support Centre (SSC) in London.

The majority of our team in the UK - and across the globe - are female. Women make up the greater part of each pay quartile, with a very similar proportion of men and women across every quartile. The representation of men and women is also equal across our Store Support Centre (SSC) and Retail teams.

Our mean pay gap has increased slightly versus 2018, from 30.4% to 34.7%, while our mean bonus gap has increased from 56.3% to 66.3%. Due to the relatively small size and stable composition of our team in the UK, these changes can be attributed to a number of specific factors:

- Our data reflects the compensation of one member of the Executive Senior Leadership team whose role, while based in the UK, has global scope including responsibility for leading lululemon's European and Middle East business. This individual is male and, as the only employee in the UK receiving executive remuneration, significantly affects our mean figures.
- On 5 April 2019, the lululemon EMEA Leadership team comprised eleven members – six females and five males. Women still make up the majority within the small, stable group at this level, however the proportional representation of men is greater than across the rest of our organisation.
- Employees on parental leave are not considered full pay relevant employees under the UK Gender Pay Gap reporting regulations, and as such are discounted from the data. There were a number of employees on maternity leave during the April 2019 pay period, including senior team members, which contributed to the increase in mean pay gap versus 2018.
- As part of their remuneration, executives at Director level and above are eligible to receive long-term incentive (LTI) payments in the form of lululemon shares and options. The increase in our bonus pay gap can be attributed to a number of these LTI payments vesting and being awarded to our tenured leadership team during 2018.

When looking at the median figures – which is less affected by significant skews – our pay and bonus gap sits close to parity, with a small bias towards women.

Our actions

People are what fuel the success of our business and our brand. When our people grow, our business grows.

Culture

lululemon's culture is most alive when every team member intentionally creates, nurtures and sustains an environment that fuels growth. From day one, we have placed a significant emphasis on empowering our teams and investing in the whole person, offering tools and practices to foster leadership skills, professional evolution and personal development.

This remains foundational to who we are, and we continue to evolve our programs encouraging and supporting our people to achieve powerful goals in their careers and their lives. Every employee has access and dedicated time to use proprietary development resources, including Purpose, Vision & Goals and the Practice of Leadership.

Parenthood

A core part of our lives, and our communities, are our families. In recognition of this, we are proud of have launched our new parental leave policy in May 2019, incentivising talent retention and encouraging leadership cultivation by providing enhanced support for new parents.

The gender-neutral program, available globally, supports all eligible lululemon employees at every stage in their careers. The offering includes paid top-up/benefit pay of up to 3-months after two years with the company, and paid top-up/benefit pay of up to 6-months after five years with the company. The program is complemented in the UK by an additional parenthood mentoring scheme for those returning to work and complimentary hypnobirthing for all expecting parents.

Flexible working

We believe that "when life works, work works", and appreciate that this will look different for every person. While our needs and priorities are uniquely ours, we are united in the continuous pursuit of balance - in our careers, our personal lives, and our health.

In 2019, lululemon launched guidelines for all UK SSC team members, providing a transparent and consistent approach to informal flexible working arrangements. The new guidelines provide an agile working structure that support our teams' individual and family needs alongside business requirements.

Benefits

We are continually evolving and shaping our UK Health and Wealth strategy, reflecting feedback from our team on what matters to them. Since 2018, we have rolled out a number of new benefits and enhancements to existing programs, providing choice and flexibility for all employees at different stages of their careers.

This included the introduction in July 2019 of a new UK Share Incentive Plan (SIP). Under the SIP, all UK employees are invited to purchase lululemon shares tax-efficiently, as well as benefit from a lululemon matching contribution. The new scheme gives all UK employees the opportunity to share in the success of the company, which they are vital in creating.

In 2019, we declared a company goal to be “**the #1 employer where people come to develop and grow as leaders**” reflecting our firm belief in the power of lululemon’s unique culture built on a trust, equality, and whole person development.

As our business continues to grow and we realise the many opportunities for lululemon in the UK and beyond, we strive to nurture our teams’ leadership and personal growth, living into our purpose of unleashing the full potential within every one of us.

Our reward practices and health and wealth benefits are an important factor when it comes to attracting, retaining and developing the best talent. We are committed to consistently monitoring and evolving our offering to ensure it truly reflects our purpose.

The introduction of the UK government’s legislation on gender pay in 2017 has provided us with the valuable opportunity to foster open dialogue and reinforce our commitments to fairness and equality. We are proud of our accomplishments to date and motivated by the journey ahead.



Gareth Pope,
General Manager lululemon EMEA

Appendix: measuring the pay gap

Under UK legislation, businesses with more than 250 employees at 5 April 2019 are required to publish data about their gender pay gap by April 2020.

The gender pay gap defined by the legislation refers to the difference in average male and female pay within an organisation.

The gender pay gap is not an indicator of pay equity (or equal pay) as the data does not compare the pay received by men and women for doing the same or equivalent work.

Data and methodology

The regulation requires the following data to be published annually, based on figures at 5 April:

Mean pay gap and bonus gap

The mean is calculated by totalling a set of values and dividing by the number of values there are. The mean pay gap and bonus gap are calculated as the percentage difference between the mean hourly rate or bonus payment for all male employees and the mean hourly rate or bonus payment for all female employees.

Median pay gap and bonus gap

The median is the value lying at the midpoint of a population, when distributed in numerical order. The median pay gap and bonus gap are calculated as the percentage difference between the midpoint of all male hourly rates or bonus payments, and the midpoint of all female hourly rates or bonus payments.

Proportion of men and women receiving bonuses

The percentage of male and female employees who received a bonus payment in the 12-month period prior to and including 5 April 2019.

Proportion of men and women in each quartile of the organisation's pay structure

Pay quartiles demonstrate the number of men and women in four equal-sized groups, defined by splitting up the employee population based on sequential hourly rates.

Pay definitions

Hourly rates

These are calculated based on an employee's "ordinary pay", which is not limited to basic pay, but also includes other types of pay including allowances and pay for leave. It does not include overtime, redundancy or termination of employment pay, pay in lieu or pay/benefits not in the form of money.

Bonus

As defined by the legislation, "bonuses include anything that relates to profit sharing, productivity, performance, incentive and commission."

The majority of our bonus payments come from performance-related bonus arrangements as well as performance-related equity for directors.